

ASSEMBLY BILL 456 (LRB -2581)

An Act to repeal 138.056 (3) (a); to renumber 138.056 (3) (b); to amend 138.056 (3) (title); and to create 138.056 (3m) of the statutes; relating to: prepayment penalties on variable rate residential mortgage loans.

2005

01-18.	A.	Introduced by Representatives Hundertmark, Montgomery, Lamb, Hahn, Hines, Owens, Petrowski, Kreibich, Vrakas, Pridemore, Van Roy, Ballweg, Lothian and Albers ; cosponsored by Senators Stepp, Plale, Brown and Harsdorf .	
06-01.	A.	Read first time and referred to committee on Financial Institutions	261
06-09.	A.	Public hearing held.	
06-28.	A.	LRB correction	344
10-11.	A.	Assembly substitute amendment 1 offered by Representative Hundertmark (LRB s0207)	519
10-27.	A.	LRB correction (Assembly substitute amendment 1)	547
10-27.	A.	Executive action taken.	
10-31.	A.	Report Assembly Substitute Amendment 1 adoption recommended by committee on Financial Institutions, Ayes 13, Noes 0	559
10-31.	A.	Report passage as amended recommended by committee on Financial Institutions, Ayes 13, Noes 0	559
10-31.	A.	Referred to committee on Rules	559
11-01.	A.	Placed on calendar 11-9-2005 by committee on Rules.	
11-09.	A.	Read a second time	601
11-09.	A.	Assembly substitute amendment 1 adopted	601
11-09.	A.	Ordered to a third reading	601
11-09.	A.	Rules suspended	601
11-09.	A.	Read a third time and passed , Ayes 95, Noes 0	602
11-09.	A.	Ordered immediately messaged	602
11-11.	S.	Received from Assembly	453
11-11.	S.	Read first time and referred to committee on Housing and Financial Institutions	455
11-29.	S.	Public hearing held.	
11-30.	S.	Executive action taken.	
12-01.	S.	Report concurrence recommended by committee on Housing and Financial Institutions, Ayes 5, Noes 2	470
12-01.	S.	Available for scheduling.	

2006

01-18.	S.	Placed on calendar 1-19-2006 by committee on Senate Organization.	
01-19.	S.	Read a second time.	
01-19.	S.	Ordered to a third reading.	
01-19.	S.	Rules suspended.	
01-19.	S.	Read a third time and concurred in , Ayes 21, Noes 12.	
01-19.	S.	Ordered immediately messaged.	
01-19.	A.	Received from Senate concurred in.	

2005
ENROLLED BILL

05en A B-456

ADOPTED DOCUMENTS:

☐ Orig

☐ Engr

A SubAmdt 1

05 SO207/4

Amendments to above (if none, write "NONE"):

NONE

Corrections – show date (if none, write "NONE"):

OCT. 27

Topic

USE RELATING CLAUSE

1-20-06

Date

SR Miller

Enrolling Drafter

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2005–2006 LEGISLATURE

CORRECTIONS IN:

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 456**

Prepared by the Legislative Reference Bureau
(October 26, 2005)

- 1.** Page 2, line 12: after “applies” insert “to”.

(END)

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 456**

October 11, 2005 – Offered by Representative HUNDERTMARK.

1 **AN ACT** *to repeal* 138.056 (3) (a); *to renumber* 138.056 (3) (b); *to amend* 138.056
2 (3) (title); and *to create* 138.056 (3m) of the statutes; **relating to:** prepayment
3 penalties on variable rate residential mortgage loans.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 138.056 (3) (title) of the statutes is amended to read:

5 138.056 (3) (title) FEES ~~AND PENALTIES~~ PROHIBITED.

6 **SECTION 2.** 138.056 (3) (a) of the statutes, as affected by 2003 Wisconsin Act
7 257, is repealed.

8 **SECTION 3.** 138.056 (3) (b) of the statutes is renumbered 138.056 (3).

9 **SECTION 4.** 138.056 (3m) of the statutes is created to read:

10 138.056 (3m) PREPAYMENT PENALTIES. (a) Notwithstanding s. 138.052 (2) (a),
11 and except as provided in s. 428.207, a lender may not include a prepayment penalty

1 in a variable rate loan using an approved index unless all of the following are
2 satisfied:

3 1. The lender also makes variable rate loans without prepayment penalties and
4 the lender provides the borrower with a written statement that the lender also makes
5 variable rate loans without prepayment penalties.

6 2. At the time of the offer of the variable rate loan, and the borrower
7 acknowledges, in writing, receipt of the statement specified in subd. 1.

8 3. The penalty is limited to prepayment that is made within 3 years of the date
9 of the loan.

10 4. The prepayment is not made in connection with the sale of a dwelling or
11 mobile home securing the loan.

12 (b) This subsection applies variable rate loans made, refinanced, renewed,
13 extended, or modified on or after the effective date of this paragraph [revisor
14 inserts date].

15 (END)

to

cc